



Independent Health Reaps Savings by Implementing Value-based Dermatology Care

Introduction

Independent Health is a regional, not-for-profit health plan serving approximately 325,000 members in New York. They offer a comprehensive commercial portfolio (HMO, POS, PPO, and EPO), Medicare Advantage and Medicaid plans, Exchange coverage, and services for self-funded employers. This case study focuses on Zest's partnership with Independent Health for their Commercial and Medicare Advantage plans beginning in 2025.

Challenge

Independent Health, like many health plans, faced rapidly rising dermatology pharmacy costs. With members actively filling high-cost dermatology medications and no clinical pathways to reassess therapy, when it may no longer be needed, annual dermatology drug spend exceeded \$100 million. A significant percentage of these prescriptions were also non-formulary, further compounding the financial impact. In fact, off-formulary prescriptions accounted for 22% of pharmacy spend on dermatologic systemics. In a business analysis, Independent Health identified psoriasis- and eczema-related specialty drugs as one of its top three drivers of spend.

Many of Independent Health's members continued to experience severe symptoms despite healthcare utilization and significant investment in treatment. Given the dual challenge of rising costs and unmet clinical need, it was evident that a different approach was needed. Independent Health prioritized addressing the dual clinical and financial impact of dermatologic care to stabilize rising spend and scale savings sustainably.

What did Zest do?

Zest partnered with Independent Health to break the traditional "forever medication" cycle through a value-based clinical paradigm. By right-sizing psoriasis and eczema care, not only did members achieve clinical remission, the health plan also alleviated off-formulary spend.

Implementation: Zest's rollout required minimal internal resource allocation, utilizing a six-week implementation timeline with standardized playbooks and hands-on support. To focus the partnership on active cost drivers, Zest and Independent Health established a simple data feed to identify high-cost dermatology drug utilizers across Commercial and Medicare Advantage plans.

Client Profile

- 325,000 members
- Not-for-profit health plan
- New York State
- Commercial & Medicare Advantage books

Before Zest

- \$100M annual dermatology drug spend
- Psoriasis & Eczema identified as top three driver of drug spend
- 22% of dermatology spend on non-formulary agents

With Zest

- 53% enrollees deprescribed
- >\$17,000 PEPY savings, net of rebates
- 94% achieved improved or stable disease
- 3.3:1 ROI



Zest's operational excellence matched by clinical results, is noted by Independent Health's Amanda Foster, Senior Healthcare Innovator:

"Zest has been an exceptional partner from both a clinical and operational standpoint. They are delivering high-quality, effective, and efficient care to our members. We've heard great things from our members about their experience, and we receive clear reporting that allows us to confidently assess program impact. We are looking forward to continuing to work with Zest."

Member Outreach: Targeted outreach via phone, direct mail, and email alerted eligible members of the opportunity to establish care with Zest.

Zest's Clinical Model: Once enrolled, Independent Health members in their Commercial and Medicare Advantage plans received unlimited virtual appointments with Zest's clinicians at no-cost to the member, providing a level of access and ongoing clinical oversight that is not feasible with traditional network providers.

Frequent clinical touchpoints allow Zest providers to continually evaluate disease activity, treatment effectiveness, and medication necessity over time. When appropriate, Zest's clinical teams aligned medication management to the formulary, including facilitation of therapeutic interchanges from branded products (e.g. risankizumab) to biosimilar products (e.g. adalimumab). For over half the enrollees, clinically appropriate deprescription drove down Independent Health's specialty drug spend.

Through its partnership with Zest, Independent Health introduced a high-touch, value-based care model that improved members' clinical outcomes while simultaneously driving significant savings.

Outcome

The partnership with Zest delivered significant clinical improvement for members while materially reducing dermatology pharmacy spend for Independent Health. These outcomes are tracked through Zest's clinical monitoring and reporting infrastructure:

- 94% of enrollees experienced improved or stabilized disease as measured by DLQI*
- 53% of enrollees reduced their drug utilization from baseline
- >\$17,000 Per Enrollee Per Year net of rebates savings
- 3.3:1 ROI with the Zest partnership

Remission-based Deprescription for Psoriasis & Eczema

Breaking the "forever medication" cycle by regular remission screening and transitioning members from high-cost systemics to right-sized maintenance care:

Precision Deprescription:

Clinical monitoring identifies remission to enable dynamic dosing or "medication holidays" for IL-23 and IL-17 agents.

Flare Prevention:

Addressing triggers and skin barrier damage facilitates safe transitions away from systemics like dupilumab.

Formulary Alignment:

Zest leads provider-led interchanges to preferred products, including biosimilars.

Clinical Oversight:

24/7 access ensures immediate intervention if symptoms return during or after deprescription.

"Dermatology trend has been one of the fastest-growing components of our pharmacy spend as high-cost systemics are utilized across all of our business lines."

Zest has helped us proactively manage that trend -delivering clinically appropriate care while materially reducing specialty drug spend that would not have been achievable through traditional utilization management alone.



Kelly Verrall

Vice President of Pharmacy
Independent Health

*Dermatology Life Quality Index (DLQI), a gold standard clinical metric for measuring the impact of skin disease on a member's everyday life.